(c) whether the non-reduction of NPAs is also responsible for reduction of interest rate on small deposits;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Hon'ble Finance Minister took a meeting of Chief Executives of Public Sector Banks on 7th April, 2001 at New Delhi, where the position of NPAs as on 31.3.2001 was reviewed. The performance of individual bank in in recovering NPAs under One Time Settlement (OTS) Scheme announced by RBI in July, 2000 for NPAs upto Rs. 5 crores was analysed and a decision taken to extend the scheme by three months from 31st March, 2001 to 30th June, 2001. Banks were also advised to take strong recovery action against wilful defaulters. For smaller accounts banks were advised to utilize the forum of Lok Adalat for summary settlement through mutual consent.

According to the latest consolidated figures available with RBI, the Gross NPAs of public sector banks as on 31st March, 2001 were Rs. 53273 crores and as on 30th September, 2001 were Rs. 56613 crores. However, as a percentage of their advances, there is no significant increase.

(c) to (e) Interest rate on small deposits largely depends on demand and supply of money in the economy and not on NOAs.

Cut in Central Excise Duty on Cigarettes

553. SHRI K.M. SAIFULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether tobacco farmers have demanded reduction in central excise duty on cigarettes and waiver of interest on bank loans and their reschedulement; and

(b) if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Representation was received from the Tobacco Growers for reduction of excise duty including removal of National Calamity Contingent Duty, which is a duty of excise, on cigarettes. The same was examined but not found acceptable.

As regards waiver of interest on bank loans and their reschedulement, information is being collected.

Duty on imported cars

554. SHRIMATI VANGA GEETHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are planning to cut duty on imported cars;

(b) if so, by what percentage and the reason therefor; and

(c) how far it will be able to the fortune of auto sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir.

(b) and (c) Does not arise in view of (a) above.

CDR of public sector banks in Bihar

555. SHRIMATI SAROJ DUBEY: Will the Minister of FINANCE be pleased to state:

(a) the credit deposit ratio of public sector banks in Bihar during the last three years;

(b) whether it is a fact that the amount of deposits from these banks is diverted as loan to other States;

(c) if so, the details thereof;

(d) whether the Government have issued any direction to these public sector banks in Bihar to contribute funds for the developmental activities in the state; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The credit deposit ratio of all scheduled commercial banks including public sector banks State-wise for the last three years is given in Statement (*See* below).

(b) and (c) No, Sir. Except for the Union Territory of Chandigarh, the CD ratio of these banks has not exceeded 100 per cent in any other States during the last three years.

(d) and (e) In view of the low CD ratio in Bihar, a Special Task Force was set up to study the industry related problems in the State and a Sub-Committee was also formed to study operational problems of stepping up credit flow and to suggest measures to increase credit deposit ratio. The progress in implementation of action points that emerged from the study shows that the banks have been making all efforts to improve the CD ratio in the State. Additional liquidity with the banks has been made possible with the reduction in the CRR and Bank Rate has been reduced. However, the increase in the flow of bank credit in a State also depends upon factors such as availability of adequate infrastructural facilities, development of core sector projects, entrepreneurial initiatives, credit absorption capacity of the State, conducive atmosphere for investment and satisfactory recovery position of bank dues etc.